Carney's climate credibility is questioned; Environmental lobby says banks use him as cover as they fund fossil fuels

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Body

Former Bank of Canada governor Mark Carney's credibility as a global climate finance leader is under fire as environment lobby groups say he is allowing some of the world's biggest banks to use him as cover to keep funding fossil fuels.

Carney is widely expected to run for the federal Liberals in a future election and campaigned for some Liberal candidates in the election that ended last month. But he turned down openings to run in that campaign himself because of his previous commitment as the United Nations special envoy on climate action and finance.

As part of that role he is also chairing the Glasgow Financial Alliance for Net Zero (GFANZ), aiming to get the biggest financial institutions around the globe to both commit and lead the way to net-zero emissions by 2050.

The alliance is to play a critical role at next month's UN Council of the Parties climate talks, known colloquially as COP26, where a big focus will be on finding the finances to fund the climate promises to achieve needed reductions in greenhouse gas emissions.

A coalition of more than 90 Canadian and international environment groups published full-page ads Thursday in the Toronto Star and Financial Times asking Carney to beef up the membership requirements in that alliance.

"While we applaud your role in establishing frameworks to help green the financial system, too many signatory banks and other financial institutions are using GFANZ and 'Net Zero' promises as greenwash, empty promises without meaningful actions or clear accountability," the ad says in a letter printed beside a giant photo of Carney superimposed on a background of flooding waters, smoke stacks and a sky tinted orange from wildfires.

Carney's office did not immediately respond to a request for comment.

Richard Brooks, climate finance director at Stand.earth, said membership in the alliance is given based on promises by banks and other financial institutions that they will set targets to invest in green energy projects and divest from fossil fuels, but there is no immediate requirement for follow-through.

"The threshold that's been set is very much, 'Hey, join the club and then sometime in the future we'll ask you to make some more commitments about how you're going to change your practices on this road to get into net zero emissions by 2050,'" Brooks said.

Brooks said the science is clear that action cannot be punted down the road. He said the membership requirements should be tightened so any financial institution involved has to commit to completely phasing out the financing of all fossil fuel companies and to cut in half the emissions produced by the investments they do make by 2030.

He said any institutions that don't meet those goals should be kicked out immediately so they can't use their membership as "green cover" while they squeeze every last drop of profit out of the fossil fuel sector.

"We've had way too many years, decades, of talking and talking and not enough acting, and it's really time to call people on their talk, and force them to walk," Brooks said.

A statement from the coalition behind the ads said most of the alliance members have not provided any details on how they intend to reduce their fossil fuel investments and have no short-term targets for reducing emissions themselves.

They also say many members in the alliance are still among the biggest funders of fossil fuels and some have even issued new financing to fossil fuel infrastructure since joining the alliance.

That includes Brookfield Infrastructure, which over the summer moved on its plan to take over Inter Pipeline, the biggest transporter of oilsands bitumen in Alberta.

The UN says more than 160 financial firms are signed onto the alliance but very few are Canadian.

There are no Canadian banks among the 43 banking members, and only a handful of asset owners and managers, including the Caisse de dépôt et placement du Québec.

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